

AMENDED IN SENATE AUGUST 20, 2010

AMENDED IN SENATE AUGUST 17, 2010

AMENDED IN ASSEMBLY APRIL 7, 2010

AMENDED IN ASSEMBLY MARCH 10, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1662

**Introduced by Assembly Members Portantino and Jeffries
(Coauthor: Assembly Member Adams)**

January 19, 2010

An act to ~~amend Sections 218, 17207, and 24347.5 of, and to add Sections 170.5, add Sections 170.6, 195.158, 195.159, 195.160, 195.167, 195.168, and 195.169 to, 195.169, 218.4, 17207.6, and 24347.9 to the~~ Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1662, as amended, Portantino. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting

in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the Counties of Los Angeles and Monterey, which were declared by the Governor to be in a state of emergency due to the wildfires that commenced in August 2009, and within the counties of Calaveras, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Francisco, and Siskiyou, which were declared by the Governor to be in a state of emergency due to the severe winter storms that commenced in January 2010.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing the Counties of Calaveras, Imperial, Los Angeles, Monterey, Orange, Riverside, San Bernardino, San Francisco, and Siskiyou for these property tax revenue reductions, this bill would make an appropriation.

(2) Existing law requires the auditor of a county which was the subject of the Governor's proclamation of a state of emergency to certify to the Director of Finance an estimate of the total reduction in property tax revenues resulting from the reassessment by the county assessor of those properties that are eligible as a result of disasters, and requires the director to verify the county auditor's estimate and certify that amount to the Controller for allocation to the county.

This bill would prohibit, for any fire disaster occurring after January 1, 2011, the Department of Finance to certify a county auditor's estimate of the total reduction in property tax resulting from the reassessment by the county assessor of eligible properties as a result of those disasters unless the county demonstrates compliance with specified requirements at the time the fire disaster occurred.

(3) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would provide that any dwelling that qualified for the exemption prior to August 26, 2009, that was damaged or destroyed by the wildfires in the County of Los Angeles, and prior to August 27, 2009, that was damaged or destroyed by the wildfires in the County of

Monterey, and that has not changed ownership since the commencement dates of those disasters as listed in the proclamations, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

This bill would also provide that any dwelling that qualified for the exemption prior to the commencement dates of the severe storms listed in the Governor's proclamations of January 2010, that was damaged or destroyed by the severe rainstorms, heavy snows, floods, or mudslides that occurred in the Counties of Calaveras, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Francisco, and Siskiyou, and that has not changed ownership since the commencement dates of those disasters as listed in the proclamations, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to floods, mudslides, rock slides, or washed-out or damaged roads.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(4) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the Counties of Los Angeles and Monterey as a result of the wildfires that commenced in August 2009 and losses sustained in the Counties of Calaveras, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Francisco, and Siskiyou as a result of the severe winter storms that commenced in January 2010. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section ~~170.5~~170.6 is added to the Revenue and
2 Taxation Code, to read:
3 ~~170.5.~~
4 170.6. For any fire disaster occurring after January 1, 2011,
5 the Department of Finance shall not certify a county auditor's
6 estimate of the total amount of the reduction in property tax
7 revenues resulting from the reassessment by the county assessor
8 pursuant to paragraph (1) of subdivision (a) of Section 170 of those
9 properties that are eligible properties as a result of those disasters,
10 unless the county demonstrates compliance with all of the
11 following requirements at the time the fire disaster occurred:
12 (a) The county had at least one of the following for each state
13 responsibility area within its jurisdiction:
14 (1) Its own structural fire protection services.
15 (2) A contract providing structural fire protection services by
16 the Department of Forestry and Fire Protection that requires all
17 state costs to provide structural fire protection be included in the
18 contract, including, but not limited to, salaries and wages, benefits,
19 retirement, distributed administrative costs, workers' compensation,
20 equipment, and costs associated with entering into the contract.
21 (3) Structural fire protection services from another county, city,
22 special district, or political subdivision of the state, or another
23 entity organized solely to provide fire protection services that are
24 monitored and funded by a county or other public entity.

1 (b) The county was in compliance with Chapter 6.8
2 (commencing with Section 51175) of Part 1 of Division 1 of Title
3 5 of the Government Code.

4 (c) If a county had land designated as a very high fire hazard
5 severity zone of state responsibility area within its jurisdiction, the
6 county had a fire risk reduction public education program that
7 included, but was not limited to, recommendations for
8 ignition-resistant landscaping, creating and maintaining defensible
9 space around homes and other structures, and ignition-resistant
10 construction principles.

11 SEC. 2. Section 195.158 is added to the Revenue and Taxation
12 Code, to read:

13 195.158. (a) By October 30, 2010, the auditors of the Counties
14 of Los Angeles and Monterey, which were the subject of the
15 Governor's proclamation of a state of emergency for the wildfires
16 that commenced on August 26, 2009, and August 27, 2009, shall
17 certify to the Director of Finance an estimate of the total amount
18 of the reduction in property tax revenues on both the regular
19 secured roll and the supplemental roll for the 2009–10 fiscal year
20 resulting from the reassessment by the county assessor pursuant
21 to paragraph (1) of subdivision (a) of Section 170 of those
22 properties that are eligible properties as a result of those disasters,
23 except that the amount certified shall not include any estimated
24 property tax revenue reductions to school districts, other than basic
25 state aid school districts, and county offices of education.

26 (b) For purposes of this section, "basic state aid school district"
27 means any school district that does not receive a state
28 apportionment pursuant to subdivision (h) of Section 42238 of the
29 Education Code, but receives from the state only a basic
30 apportionment pursuant to Section 6 of Article IX of the California
31 Constitution.

32 SEC. 3. Section 195.159 is added to the Revenue and Taxation
33 Code, to read:

34 195.159. After the county auditor of the eligible county, as
35 described in Section 195.158, has made the applicable certification
36 to the Director of Finance pursuant to that section, the director
37 shall, within 30 days after verification of the county auditor's
38 estimate, certify this amount to the Controller for allocation to the
39 county. Upon receipt of certification from the Director of Finance,

1 the Controller shall make the appropriate allocation to the county
2 within 10 working days.

3 SEC. 4. Section 195.160 is added to the Revenue and Taxation
4 Code, to read:

5 195.160. (a) On or before June 30, 2011, an eligible county,
6 as described in Section 195.158, shall compute and remit to the
7 Controller for deposit in the General Fund an amount equal to the
8 amount allocated to it by the Controller pursuant to Section
9 195.159, less the actual amount of its property tax revenue lost on
10 the regular secured and supplemental rolls with respect to those
11 eligible properties described in Section 195.158 as a result of the
12 reassessment of those properties pursuant to paragraph (1) of
13 subdivision (a) of Section 170, excluding any property tax revenue
14 lost by school districts, other than basic state aid school districts,
15 and county offices of education. If the actual amount of property
16 tax revenue lost by an eligible county in the immediately preceding
17 fiscal year, as described and limited in the preceding sentence,
18 exceeds the amount allocated by the Controller to that county
19 pursuant to Section 195.159, the Controller shall allocate the
20 amount of that excess to that eligible county.

21 (b) For purposes of this section, “basic state aid school district”
22 means any school district that does not receive a state
23 apportionment pursuant to subdivision (h) of Section 42238 of the
24 Education Code, but receives from the state only a basic
25 apportionment pursuant to Section 6 of Article IX of the California
26 Constitution.

27 SEC. 5. Section 195.167 is added to the Revenue and Taxation
28 Code, to read:

29 195.167. (a) By October 30, 2010, the auditors of the Counties
30 of Calaveras, Imperial, Los Angeles, Orange, Riverside, San
31 Bernardino, San Francisco, and Siskiyou, which were the subject
32 of the Governor’s proclamations of a state of emergency for the
33 severe winter storms that commenced in January 2010 that caused
34 damage by the severe rainstorms, heavy snows, floods, or
35 mudslides, shall certify to the Director of Finance an estimate of
36 the total amount of the reduction in property tax revenues on both
37 the regular secured roll and the supplemental roll for the 2009–10
38 fiscal year resulting from the reassessment by the county assessor
39 pursuant to paragraph (1) of subdivision (a) of Section 170 of those
40 properties that are eligible properties as a result of those disasters,

1 except that the amount certified shall not include any estimated
2 property tax revenue reductions to school districts, other than basic
3 state aid school districts, and county offices of education.

4 (b) For purposes of this section, “basic state aid school district”
5 means any school district that does not receive a state
6 apportionment pursuant to subdivision (h) of Section 42238 of the
7 Education Code, but receives from the state only a basic
8 apportionment pursuant to Section 6 of Article IX of the California
9 Constitution.

10 SEC. 6. Section 195.168 is added to the Revenue and Taxation
11 Code, to read:

12 195.168. After the county auditor of the eligible county, as
13 described in Section 195.167, has made the applicable certification
14 to the Director of Finance pursuant to that section, the director
15 shall, within 30 days after verification of the county auditor’s
16 estimate, certify this amount to the Controller for allocation to the
17 county. Upon receipt of certification from the Director of Finance,
18 the Controller shall make the appropriate allocation to the county
19 within 10 working days.

20 SEC. 7. Section 195.169 is added to the Revenue and Taxation
21 Code, to read:

22 195.169. (a) On or before June 30, 2011, an eligible county,
23 as described in Section 195.167, shall compute and remit to the
24 Controller for deposit in the General Fund an amount equal to the
25 amount allocated to it by the Controller pursuant to Section
26 195.168, less the actual amount of its property tax revenue lost on
27 the regular secured and supplemental rolls with respect to those
28 eligible properties described in Section 195.167 as a result of the
29 reassessment of those properties pursuant to paragraph (1) of
30 subdivision (a) of Section 170, excluding any property tax revenue
31 lost by school districts, other than basic state aid school districts,
32 and county offices of education. If the actual amount of property
33 tax revenue lost by an eligible county in the immediately preceding
34 fiscal year, as described and limited in the preceding sentence,
35 exceeds the amount allocated by the Controller to that county
36 pursuant to Section 195.168, the Controller shall allocate the
37 amount of that excess to that eligible county.

38 (b) For purposes of this section, “basic state aid school district”
39 means any school district that does not receive a state
40 apportionment pursuant to subdivision (h) of Section 42238 of the

1 Education Code, but receives from the state only a basic
2 apportionment pursuant to Section 6 of Article IX of the California
3 Constitution.

4 ~~SEC. 8. Section 218 of the Revenue and Taxation Code is~~
5 ~~amended to read:~~

6 ~~218. (a) The homeowners' property tax exemption is in the~~
7 ~~amount of the assessed value of the dwelling specified in this~~
8 ~~section, as authorized by subdivision (k) of Section 3 of Article~~
9 ~~XIII of the California Constitution. That exemption shall be in the~~
10 ~~amount of seven thousand dollars (\$7,000) of the full value of the~~
11 ~~dwelling.~~

12 ~~(b) The exemption does not extend to property that is rented,~~
13 ~~vacant, under construction on the lien date, or that is a vacation or~~
14 ~~secondary home of the owner or owners, nor does it apply to~~
15 ~~property on which an owner receives the veteran's exemption.~~

16 ~~(c) For purposes of this section, all of the following apply:~~

17 ~~(1) "Owner" includes a person purchasing the dwelling under~~
18 ~~a contract of sale or who holds shares or membership in a~~
19 ~~cooperative housing corporation, which holding is a requisite to~~
20 ~~the exclusive right of occupancy of a dwelling.~~

21 ~~(2) (A) "Dwelling" means a building, structure, or other shelter~~
22 ~~constituting a place of abode, whether real property or personal~~
23 ~~property, and any land on which it may be situated. A two-dwelling~~
24 ~~unit shall be considered as two separate single-family dwellings.~~

25 ~~(B) "Dwelling" includes the following:~~

26 ~~(i) A single-family dwelling occupied by an owner thereof as~~
27 ~~his or her principal place of residence on the lien date.~~

28 ~~(ii) A multiple-dwelling unit occupied by an owner thereof on~~
29 ~~the lien date as his or her principal place of residence.~~

30 ~~(iii) A condominium occupied by an owner thereof as his or her~~
31 ~~principal place of residence on the lien date.~~

32 ~~(iv) Premises occupied by the owner of shares or a membership~~
33 ~~interest in a cooperative housing corporation, as defined in~~
34 ~~subdivision (i) of Section 61, as his or her principal place of~~
35 ~~residence on the lien date. Each exemption allowed pursuant to~~
36 ~~this subdivision shall be deducted from the total assessed valuation~~
37 ~~of the cooperative housing corporation. The exemption shall be~~
38 ~~taken into account in apportioning property taxes among owners~~
39 ~~of share or membership interests in the cooperative housing~~

1 corporations so as to benefit those owners who qualify for the
2 exemption.

3 (d) Any dwelling that qualified for an exemption under this
4 section prior to October 20, 1991, that was damaged or destroyed
5 by fire in a disaster, as declared by the Governor, occurring on or
6 after October 20, 1991, and before November 1, 1991, and that
7 has not changed ownership since October 20, 1991, shall not be
8 disqualified as a “dwelling” or be denied an exemption under this
9 section solely on the basis that the dwelling was temporarily
10 damaged or destroyed or was being reconstructed by the owner.

11 (e) Any dwelling that qualified for an exemption under this
12 section prior to October 15, 2003, that was damaged or destroyed
13 by fire or earthquake in a disaster, as declared by the Governor,
14 during October, November, or December 2003, and that has not
15 changed ownership since October 15, 2003, shall not be
16 disqualified as a “dwelling” or be denied an exemption under this
17 section solely on the basis that the dwelling was temporarily
18 damaged or destroyed or was being reconstructed by the owner.

19 (f) Any dwelling that qualified for an exemption under this
20 section prior to June 3, 2004, that was damaged or destroyed by
21 flood in a disaster, as declared by the Governor, during June 2004,
22 and that has not changed ownership since June 3, 2004, shall not
23 be disqualified as a “dwelling” or be denied an exemption under
24 this section solely on the basis that the dwelling was temporarily
25 damaged or destroyed or was being reconstructed by the owner.

26 (g) Any dwelling that qualified for an exemption under this
27 section prior to August 11, 2004, that was damaged or destroyed
28 by the wildfires and any other related casualty that occurred in
29 Shasta County in a disaster, as declared by the Governor, during
30 August 2004, and that has not changed ownership since August
31 11, 2004, shall not be disqualified as a “dwelling” or be denied an
32 exemption under this section solely on the basis that the dwelling
33 was temporarily damaged or destroyed or was being reconstructed
34 by the owner.

35 (h) Any dwelling that qualified for an exemption under this
36 section prior to December 28, 2004, that was damaged or destroyed
37 by severe rainstorms, floods, mudslides, or the accumulation of
38 debris in a disaster, as declared by the Governor, during December
39 2004, January 2005, February 2005, March 2005, or June 2005,
40 and that has not changed ownership since December 28, 2004,

1 shall not be disqualified as a “dwelling” or be denied an exemption
2 under this section solely on the basis that the dwelling was
3 temporarily damaged or destroyed or was being reconstructed by
4 the owner, or was temporarily uninhabited as a result of restricted
5 access to the property due to floods, mudslides, the accumulation
6 of debris, or washed-out or damaged roads.

7 (i) Any dwelling that qualified for an exemption under this
8 section prior to December 19, 2005, that was damaged or destroyed
9 by severe rainstorms, floods, mudslides, or the accumulation of
10 debris in a disaster, as declared by the Governor in January 2006,
11 April 2006, May 2006, or June 2006, and that has not changed
12 ownership since December 19, 2005, shall not be disqualified as
13 a “dwelling” or be denied an exemption under this section solely
14 on the basis that the dwelling was temporarily damaged or
15 destroyed or was being reconstructed by the owner, or was
16 temporarily uninhabited as a result of restricted access to the
17 property due to floods, mudslides, the accumulation of debris, or
18 washed-out or damaged roads.

19 (j) Any dwelling that qualified for an exemption under this
20 section prior to July 9, 2006, that was damaged or destroyed by
21 the wildfires and any other related casualty that occurred in the
22 County of San Bernardino, as declared by the Governor in July
23 2006, and that has not changed ownership since July 9, 2006, shall
24 not be disqualified as a “dwelling” or be denied an exemption
25 under this section solely on the basis that the dwelling was
26 temporarily damaged or destroyed or was being reconstructed by
27 the owner, or was temporarily uninhabited as a result of restricted
28 access to the property due to the wildfires.

29 (k) Any dwelling that qualified for an exemption under this
30 section prior to the commencement dates of the wildfires listed in
31 the Governor’s proclamations of 2006 that was damaged or
32 destroyed by the wildfires and any other related casualty that
33 occurred in the Counties of Riverside and Ventura, and that has
34 not changed ownership since the commencement dates of these
35 disasters as listed in the Governor’s proclamations of 2006 shall
36 not be disqualified as a “dwelling” or be denied an exemption
37 under this section solely on the basis that the dwelling was
38 temporarily damaged or destroyed or was being reconstructed by
39 the owner, or was temporarily uninhabited as a result of restricted
40 access to the property due to the wildfires.

1 ~~(l) Any dwelling that qualified for an exemption under this~~
2 ~~section prior to January 11, 2007, that was damaged or destroyed~~
3 ~~by severe freezing conditions, commencing January 11, 2007, and~~
4 ~~any other related casualty that occurred in the Counties of El~~
5 ~~Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,~~
6 ~~Riverside, San Bernardino, San Diego, San Luis Obispo, Santa~~
7 ~~Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a~~
8 ~~result of a disaster as declared by the Governor, and that has not~~
9 ~~changed ownership since January 11, 2007, shall not be disqualified~~
10 ~~as a “dwelling” or be denied an exemption under this section solely~~
11 ~~on the basis that the dwelling was temporarily damaged or~~
12 ~~destroyed or was being reconstructed by the owner, or was~~
13 ~~temporarily uninhabited as a result of restricted access to the~~
14 ~~property due to severe freezing conditions.~~

15 ~~(m) Any dwelling that qualified for an exemption under this~~
16 ~~section prior to June 24, 2007, that was damaged or destroyed by~~
17 ~~the wildfires and any other related casualty that occurred as a result~~
18 ~~of this disaster in the County of El Dorado, as declared by the~~
19 ~~Governor in June 2007, and that has not changed ownership since~~
20 ~~June 24, 2007, shall not be disqualified as a “dwelling” or be denied~~
21 ~~an exemption under this section solely on the basis that the~~
22 ~~dwelling was temporarily damaged or destroyed or was being~~
23 ~~reconstructed by the owner, or was temporarily uninhabited as a~~
24 ~~result of restricted access to the property due to the wildfires.~~

25 ~~(n) Any dwelling that qualified for an exemption under this~~
26 ~~section prior to July 4, 2007, that was damaged or destroyed by~~
27 ~~the Zaca Fire and any other related casualty that occurred as a~~
28 ~~result of this disaster in the Counties of Santa Barbara and Ventura,~~
29 ~~as declared by the Governor in August 2007, and that has not~~
30 ~~changed ownership since July 4, 2007, may not be denied an~~
31 ~~exemption solely on the basis that the dwelling was temporarily~~
32 ~~damaged or destroyed or was being reconstructed by the owner,~~
33 ~~or was temporarily uninhabited as a result of restricted access to~~
34 ~~the property due to the Zaca Fire.~~

35 ~~(o) Any dwelling that qualified for an exemption under this~~
36 ~~section prior to July 6, 2007, that was damaged or destroyed by~~
37 ~~the wildfires and any other related casualty that occurred as a result~~
38 ~~of this disaster in the County of Inyo, as declared by the Governor~~
39 ~~in July 2007, and that has not changed ownership since July 6,~~
40 ~~2007, may not be denied an exemption solely on the basis that the~~

1 dwelling was temporarily damaged or destroyed or was being
2 reconstructed by the owner, or was temporarily uninhabited as a
3 result of restricted access to the property due to the wildfires.

4 (p) Any dwelling that qualified for an exemption under this
5 section prior to the commencement dates of the wildfires listed in
6 the Governor's disaster proclamations of September 15, 2007, and
7 October 21, 2007, that was damaged or destroyed by the wildfires
8 and any other related casualty that occurred in the Counties of Los
9 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
10 Barbara, and Ventura, and that has not changed ownership since
11 the commencement dates of these disasters as listed in the
12 proclamations shall not be disqualified as a "dwelling" or be denied
13 an exemption under this section solely on the basis that the
14 dwelling was temporarily damaged or destroyed or was being
15 reconstructed by the owner, or was temporarily uninhabited as a
16 result of restricted access to the property due to the wildfires.

17 (q) Any dwelling that qualified for an exemption under this
18 section prior to October 20, 2007, that was damaged or destroyed
19 by the extremely strong and damaging winds and any other related
20 casualty that occurred as a result of this disaster in the County of
21 Riverside, as declared by the Governor in November 2007, and
22 that has not changed ownership since October 20, 2007, shall not
23 be disqualified as a "dwelling" or be denied an exemption under
24 this section solely on the basis that the dwelling was temporarily
25 damaged or destroyed or was being reconstructed by the owner,
26 or was temporarily uninhabited as a result of restricted access to
27 the property due to the extremely strong and damaging winds.

28 (r) Any dwelling that qualified for an exemption under this
29 section prior to the commencement dates of the wildfires listed in
30 the Governor's disaster proclamations of May, June, or July 2008,
31 that was damaged or destroyed by the wildfires and any other
32 related casualty that occurred in the Counties of Butte, Kern,
33 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
34 Shasta, and Trinity and that has not changed ownership since the
35 commencement dates of these disasters as listed in the
36 proclamations shall not be disqualified as a "dwelling" or be denied
37 an exemption under this section solely on the basis that the
38 dwelling was temporarily damaged or destroyed or was being
39 reconstructed by the owner, or was temporarily uninhabited as a
40 result of restricted access to the property due to the wildfires.

1 ~~(s) Any dwelling that qualified for an exemption under this~~
2 ~~section prior to July 1, 2008, that was damaged or destroyed by~~
3 ~~the wildfires and any other related casualty that occurred as a result~~
4 ~~of this disaster in the County of Santa Barbara, as declared by the~~
5 ~~Governor in July 2008, and that has not changed ownership since~~
6 ~~July 1, 2008, may not be denied an exemption solely on the basis~~
7 ~~that the dwelling was temporarily damaged or destroyed or was~~
8 ~~being reconstructed by the owner, or was temporarily uninhabited~~
9 ~~as a result of restricted access to the property due to the wildfires.~~

10 ~~(t) Any dwelling that qualified for an exemption under this~~
11 ~~section prior to July 12, 2008, that was damaged or destroyed by~~
12 ~~severe rainstorms, floods, landslides, or the accumulation of debris~~
13 ~~in a disaster, as declared by the Governor, in July 2008, and that~~
14 ~~has not changed ownership since July 12, 2008, shall not be~~
15 ~~disqualified as a “dwelling” or be denied an exemption under this~~
16 ~~section solely on the basis that the dwelling was temporarily~~
17 ~~damaged or destroyed or was being reconstructed by the owner,~~
18 ~~or was temporarily uninhabited as a result of restricted access to~~
19 ~~the property due to floods, landslides, the accumulation of debris,~~
20 ~~or washed-out or damaged roads.~~

21 ~~(u) Any dwelling that qualified for an exemption under this~~
22 ~~section prior to May 22, 2008, that was damaged or destroyed by~~
23 ~~the wildfires and any other related casualty that occurred as a result~~
24 ~~of this disaster in the County of Humboldt, as declared by the~~
25 ~~Governor in August 2008, and that has not changed ownership~~
26 ~~since May 22, 2008, may not be denied an exemption solely on~~
27 ~~the basis that the dwelling was temporarily damaged or destroyed~~
28 ~~or was being reconstructed by the owner, or was temporarily~~
29 ~~uninhabited as a result of restricted access to the property due to~~
30 ~~the wildfires.~~

31 ~~(v) Any dwelling that qualified for an exemption under this~~
32 ~~section prior to the commencement dates of the wildfires that were~~
33 ~~the subject of the Governor’s disaster proclamations of October~~
34 ~~13, 2008, and November 15, 2008, that was damaged or destroyed~~
35 ~~by the wildfires and any other related casualty that occurred in the~~
36 ~~Counties of Los Angeles and Ventura and that has not changed~~
37 ~~ownership since the commencement dates of these wildfires, shall~~
38 ~~not be disqualified as a “dwelling” or be denied an exemption~~
39 ~~under this section solely on the basis that the dwelling was~~
40 ~~temporarily damaged or destroyed or was being reconstructed by~~

1 the owner, or was temporarily uninhabited as a result of restricted
2 access to the property due to the wildfires.

3 (w) Any dwelling that qualified for an exemption under this
4 section prior to November 13, 2008, that was damaged or destroyed
5 by the wildfires and any other related casualty that occurred as a
6 result of this disaster in the County of Santa Barbara, as declared
7 by the Governor in November 2008, and that has not changed
8 ownership since November 13, 2008, shall not be disqualified as
9 a “dwelling” or be denied an exemption under this section solely
10 on the basis that the dwelling was temporarily damaged or
11 destroyed or was being reconstructed by the owner, or was
12 temporarily uninhabited as a result of restricted access to the
13 property due to the wildfires.

14 (x) Any dwelling that qualified for an exemption under this
15 section prior to the commencement dates of the wildfires listed in
16 the Governor’s disaster proclamations of November 15, 2008, and
17 November 17, 2008, that was damaged or destroyed by the
18 wildfires and any other related casualty that occurred as a result
19 of this disaster in the Counties of Orange, Riverside, and San
20 Bernardino, as declared by the Governor in November 2008, and
21 that has not changed ownership since the commencement dates of
22 these disasters as listed in the proclamations, shall not be
23 disqualified as a “dwelling” or be denied an exemption under this
24 section solely on the basis that the dwelling was temporarily
25 damaged or destroyed or was being reconstructed by the owner,
26 or was temporarily uninhabited as a result of restricted access to
27 the property due to the wildfires.

28 (y) Any dwelling that qualified for an exemption under this
29 section prior to May 5, 2009, that was damaged or destroyed by
30 the wildfires and any other related casualty that occurred as a result
31 of this disaster in the County of Santa Barbara, as declared by the
32 Governor in May 2009, and that has not changed ownership since
33 May 5, 2009, shall not be disqualified as a “dwelling” or be denied
34 an exemption under this section solely on the basis that the
35 dwelling was temporarily damaged or destroyed or was being
36 reconstructed by the owner, or was temporarily uninhabited as a
37 result of restricted access to the property due to the wildfires.

38 (z) Any dwelling that qualified for an exemption under this
39 section prior to the commencement dates of the wildfires listed in
40 the Governor’s disaster proclamation of August 2009, that was

1 ~~damaged or destroyed by the wildfires and any other related~~
2 ~~casualty that occurred as a result of this disaster in the Counties~~
3 ~~of Los Angeles and Monterey, as declared by the Governor in~~
4 ~~August 2009, and that has not changed ownership since the~~
5 ~~commencement dates of these disasters as listed in the~~
6 ~~proclamations, shall not be disqualified as a “dwelling” or be~~
7 ~~denied an exemption under this section solely on the basis that the~~
8 ~~dwelling was temporarily damaged or destroyed or was being~~
9 ~~reconstructed by the owner, or was temporarily uninhabited as a~~
10 ~~result of restricted access to the property due to the wildfires.~~

11 ~~(aa) Any dwelling that qualified for an exemption under this~~
12 ~~section prior to the commencement dates of the severe winter~~
13 ~~storms listed in the Governor’s disaster proclamations of January~~
14 ~~2010, that was damaged or destroyed by the severe rainstorms,~~
15 ~~heavy snows, floods, or mudslides that occurred in the Counties~~
16 ~~of Calaveras, Imperial, Los Angeles, Orange, Riverside, San~~
17 ~~Bernardino, San Francisco, and Siskiyou in disasters, as declared~~
18 ~~by the Governor in January 2010, and that has not changed~~
19 ~~ownership since the commencement dates of these disasters as~~
20 ~~listed in the proclamations, shall not be disqualified as a “dwelling”~~
21 ~~or be denied an exemption under this section solely on the basis~~
22 ~~that the dwelling was temporarily damaged or destroyed or was~~
23 ~~being reconstructed by the owner, or was temporarily uninhabited~~
24 ~~as a result of restricted access to the property due to floods,~~
25 ~~mudslides, rockslides, or washed-out or damaged roads.~~

26 ~~(ab) The exemption provided for in subdivision (k) of Section~~
27 ~~3 of Article XIII of the California Constitution shall first be applied~~
28 ~~to the building, structure, or other shelter and the excess, if any,~~
29 ~~shall be applied to any land on which it may be located.~~

30 ~~SEC. 9. Section 17207 of the Revenue and Taxation Code is~~
31 ~~amended to read:~~

32 ~~17207. (a) An excess disaster loss, as defined in subdivision~~
33 ~~(e), shall be carried to other taxable years as provided in~~
34 ~~subdivision (b), with respect to losses resulting from any of the~~
35 ~~following disasters:~~

36 ~~(1) Forest fire or any other related casualty occurring in 1985~~
37 ~~in California.~~

38 ~~(2) Storm, flooding, or any other related casualty occurring in~~
39 ~~1986 in California.~~

- 1 ~~(3) Any loss sustained during 1987 as a result of a forest fire or~~
2 ~~any other related casualty.~~
- 3 ~~(4) Earthquake, aftershock, or any other related casualty~~
4 ~~occurring in 1987 in California.~~
- 5 ~~(5) Earthquake, aftershock, or any other related casualty~~
6 ~~occurring in 1989 in California.~~
- 7 ~~(6) Any loss sustained during 1990 as a result of fire or any~~
8 ~~other related casualty in California.~~
- 9 ~~(7) Any loss sustained as a result of the Oakland/Berkeley Fire~~
10 ~~of 1991, or any other related casualty.~~
- 11 ~~(8) Any loss sustained as a result of storm, flooding, or any~~
12 ~~other related casualty occurring in February 1992 in California.~~
- 13 ~~(9) Earthquake, aftershock, or any other related casualty~~
14 ~~occurring in April 1992 in the County of Humboldt.~~
- 15 ~~(10) Riots, arson, or any other related casualty occurring in~~
16 ~~April or May 1992 in California.~~
- 17 ~~(11) Any loss sustained as a result of the earthquakes that~~
18 ~~occurred in the County of San Bernardino in June and July of 1992,~~
19 ~~or any other related casualty.~~
- 20 ~~(12) Any loss sustained as a result of the Fountain Fire that~~
21 ~~occurred in the County of Shasta, or as a result of either of the~~
22 ~~fires in the Counties of Calaveras and Trinity that occurred in~~
23 ~~August 1992, or any other related casualty.~~
- 24 ~~(13) Any loss sustained as a result of storm, flooding, or any~~
25 ~~other related casualty that occurred in the Counties of Alpine,~~
26 ~~Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,~~
27 ~~Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,~~
28 ~~Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,~~
29 ~~Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of~~
30 ~~Fillmore in January 1993.~~
- 31 ~~(14) Any loss sustained as a result of a fire that occurred in the~~
32 ~~Counties of Los Angeles, Orange, Riverside, San Bernardino, San~~
33 ~~Diego, and Ventura, during October or November of 1993, or any~~
34 ~~other related casualty.~~
- 35 ~~(15) Any loss sustained as a result of the earthquake, aftershocks,~~
36 ~~or any other related casualty that occurred in the Counties of Los~~
37 ~~Angeles, Orange, and Ventura on or after January 17, 1994.~~
- 38 ~~(16) Any loss sustained as a result of a fire that occurred in the~~
39 ~~County of San Luis Obispo during August of 1994, or any other~~
40 ~~related casualty.~~

1 ~~(17) Any loss sustained as a result of the storms or flooding~~
2 ~~occurring in 1995, or any other related casualty, sustained in any~~
3 ~~county of this state subject to a disaster declaration with respect~~
4 ~~to the storms and flooding.~~

5 ~~(18) Any loss sustained as a result of the storms or flooding~~
6 ~~occurring in December 1996 or January 1997, or any related~~
7 ~~casualty, sustained in any county of this state subject to a disaster~~
8 ~~declaration with respect to the storms or flooding.~~

9 ~~(19) Any loss sustained as a result of the storms or flooding~~
10 ~~occurring in February 1998, or any related casualty, sustained in~~
11 ~~any county of this state subject to a disaster declaration with respect~~
12 ~~to the storms or flooding.~~

13 ~~(20) Any loss sustained as a result of a freeze occurring in the~~
14 ~~winter of 1998–99, or any related casualty, sustained in any county~~
15 ~~of this state subject to a disaster declaration with respect to the~~
16 ~~freeze.~~

17 ~~(21) Any loss sustained as a result of an earthquake occurring~~
18 ~~in September 2000, that was included in the Governor's~~
19 ~~proclamation of a state of emergency for the County of Napa.~~

20 ~~(22) Any loss sustained as a result of the Middle River levee~~
21 ~~break in San Joaquin County occurring in June 2004.~~

22 ~~(23) Any losses sustained as a result of the fires that occurred~~
23 ~~in the Counties of Los Angeles, Riverside, San Bernardino, San~~
24 ~~Diego, and Ventura in October and November 2003, or as a result~~
25 ~~of floods, mudflows, and debris flows, directly related to fires.~~

26 ~~(24) Any losses sustained in the Counties of Santa Barbara and~~
27 ~~San Luis Obispo as a result of the San Simeon earthquake,~~
28 ~~aftershocks, and any other related casualties.~~

29 ~~(25) Any losses sustained as a result of the wildfires that~~
30 ~~occurred in Shasta County, commencing August 11, 2004, and~~
31 ~~any other related casualty.~~

32 ~~(26) Any loss sustained in the Counties of Kern, Los Angeles,~~
33 ~~Orange, Riverside, San Bernardino, San Diego, Santa Barbara,~~
34 ~~and Ventura as a result of the severe rainstorms, related flooding~~
35 ~~and slides, and any other related casualties, that occurred in~~
36 ~~December 2004, January 2005, February 2005, March 2005, or~~
37 ~~June 2005.~~

38 ~~(27) Any loss sustained in the Counties of Alameda, Alpine,~~
39 ~~Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El~~
40 ~~Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,~~

1 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
2 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
3 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
4 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
5 the severe rainstorms, related flooding and slides, and any other
6 related casualties, that occurred in December 2005, January 2006,
7 March 2006, or April 2006.

8 ~~(28) Any loss sustained in the County of San Bernardino as a~~
9 ~~result of the wildfires that occurred in July 2006.~~

10 ~~(29) Any loss sustained in the Counties of Riverside and Ventura~~
11 ~~as a result of wildfires that occurred during the 2006 calendar year.~~

12 ~~(30) Any loss sustained in the Counties of El Dorado, Fresno,~~
13 ~~Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San~~
14 ~~Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa~~
15 ~~Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject~~
16 ~~of the Governor's proclamations of a state of emergency for the~~
17 ~~severe freezing conditions that occurred in January 2007.~~

18 ~~(31) Any loss sustained in the County of El Dorado as a result~~
19 ~~of wildfires that occurred in June 2007.~~

20 ~~(32) Any loss sustained in the Counties of Santa Barbara and~~
21 ~~Ventura as a result of the Zaca Fire that occurred during the 2007~~
22 ~~calendar year.~~

23 ~~(33) Any loss sustained in the County of Inyo as a result of~~
24 ~~wildfires that commenced in July 2007.~~

25 ~~(34) Any loss sustained in the Counties of Los Angeles, Orange,~~
26 ~~Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~
27 ~~as a result of wildfires that occurred during the 2007 calendar year~~
28 ~~that were the subject of the Governor's disaster proclamations of~~
29 ~~September 15, 2007, and October 21, 2007.~~

30 ~~(35) Any loss sustained in the County of Riverside as a result~~
31 ~~of extremely strong and damaging winds that occurred in October~~
32 ~~2007.~~

33 ~~(36) Any loss sustained in the Counties of Butte, Kern,~~
34 ~~Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,~~
35 ~~Shasta, and Trinity as a result of wildfires that occurred in May or~~
36 ~~June 2008 that were the subject of the Governor's proclamations~~
37 ~~of a state of emergency.~~

38 ~~(37) Any loss sustained in the County of Santa Barbara as a~~
39 ~~result of wildfires that occurred in July 2008.~~

1 ~~(38) Any loss sustained in the County of Inyo as a result of the~~
2 ~~severe rainstorms, related flooding and landslides, and any other~~
3 ~~related casualties, that occurred in July 2008.~~

4 ~~(39) Any loss sustained in the County of Humboldt as a result~~
5 ~~of wildfires that commenced in May 2008.~~

6 ~~(40) Any loss sustained in the County of Santa Barbara as a~~
7 ~~result of wildfires that commenced in November 2008.~~

8 ~~(41) Any loss sustained in the Counties of Los Angeles and~~
9 ~~Ventura as a result of wildfires that commenced in October 2008~~
10 ~~or November 2008 that were the subject of the Governor's~~
11 ~~proclamations of a state of emergency.~~

12 ~~(42) Any loss sustained in the Counties of Orange, Riverside,~~
13 ~~and San Bernardino as a result of wildfires that commenced in~~
14 ~~November 2008.~~

15 ~~(43) Any loss sustained in the County of Santa Barbara as a~~
16 ~~result of wildfires that commenced in May 2009.~~

17 ~~(44) Any loss sustained in the Counties of Los Angeles and~~
18 ~~Monterey as a result of wildfires that commenced in August 2009.~~

19 ~~(45) Any loss sustained in the Counties of Calaveras, Imperial,~~
20 ~~Los Angeles, Orange, Riverside, San Bernardino, San Francisco,~~
21 ~~and Siskiyou as a result of winter storms that commenced in~~
22 ~~January 2010.~~

23 ~~(b) (1) In the case of any loss allowed under Section 165(e) of~~
24 ~~the Internal Revenue Code, relating to limitation of losses of~~
25 ~~individuals, any excess disaster loss shall be carried forward to~~
26 ~~each of the five taxable years following the taxable year for which~~
27 ~~the loss is claimed. However, if there is any excess disaster loss~~
28 ~~remaining after the five-year period, then the applicable percentage,~~
29 ~~as set forth in paragraph (1) of subdivision (b) of Section 17276,~~
30 ~~of that excess disaster loss shall be carried forward to each of the~~
31 ~~next 10 taxable years.~~

32 ~~(2) The entire amount of any excess disaster loss as defined in~~
33 ~~subdivision (c) shall be carried to the earliest of the taxable years~~
34 ~~to which, by reason of subdivision (b), the loss may be carried.~~
35 ~~The portion of the loss which shall be carried to each of the other~~
36 ~~taxable years shall be the excess, if any, of the amount of excess~~
37 ~~disaster loss over the sum of the adjusted taxable income for each~~
38 ~~of the prior taxable years to which that excess disaster loss is~~
39 ~~carried.~~

~~(e) “Excess disaster loss” means a disaster loss computed pursuant to Section 165 of the Internal Revenue Code which exceeds the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss.~~

~~(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the losses listed in subdivision (a) sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster.~~

~~(e) Losses allowable under this section may not be taken into account in computing a net operating loss deduction under Section 172 of the Internal Revenue Code.~~

~~(f) For purposes of this section, “adjusted taxable income” shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.~~

~~(g) For losses described in paragraphs (15) to (45), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.~~

~~SEC. 10. Section 24347.5 of the Revenue and Taxation Code is amended to read:~~

~~24347.5. (a) An excess disaster loss, as defined in subdivision (e), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:~~

~~(1) Forest fire or any other related casualty occurring in 1985 in California.~~

~~(2) Storm, flooding, or any other related casualty occurring in 1986 in California.~~

~~(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.~~

~~(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.~~

~~(5) Earthquake, aftershock, or any other related casualty occurring in October 1989 in California.~~

~~(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.~~

~~(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.~~

1 ~~(8) Any loss sustained as a result of storm, flooding, or any~~
2 ~~other related casualty occurring in February 1992 in California.~~

3 ~~(9) Earthquake, aftershock, or any other related casualty~~
4 ~~occurring in April 1992 in the County of Humboldt.~~

5 ~~(10) Riots, arson, or any other related casualty occurring in~~
6 ~~April or May 1992 in California.~~

7 ~~(11) Any loss sustained as a result of the earthquakes or any~~
8 ~~other related casualty that occurred in the County of San~~
9 ~~Bernardino in June and July of 1992.~~

10 ~~(12) Any loss sustained as a result of the Fountain Fire that~~
11 ~~occurred in the County of Shasta, or as a result of either of the~~
12 ~~fires in the Counties of Calaveras and Trinity that occurred in~~
13 ~~August 1992, or any other related casualty.~~

14 ~~(13) Any loss sustained as a result of storm, flooding, or any~~
15 ~~other related casualty that occurred in the Counties of Alpine,~~
16 ~~Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,~~
17 ~~Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,~~
18 ~~Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,~~
19 ~~Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of~~
20 ~~Fillmore in January 1993.~~

21 ~~(14) Any loss sustained as a result of a fire that occurred in the~~
22 ~~Counties of Los Angeles, Orange, Riverside, San Bernardino, San~~
23 ~~Diego, and Ventura, during October or November of 1993, or any~~
24 ~~other related casualty.~~

25 ~~(15) Any loss sustained as a result of the earthquake, aftershocks,~~
26 ~~or any other related casualty that occurred in the Counties of Los~~
27 ~~Angeles, Orange, and Ventura on or after January 17, 1994.~~

28 ~~(16) Any loss sustained as a result of a fire that occurred in the~~
29 ~~County of San Luis Obispo during August of 1994, or any other~~
30 ~~related casualty.~~

31 ~~(17) Any loss sustained as a result of the storms or flooding~~
32 ~~occurring in 1995, or any other related casualty, sustained in any~~
33 ~~county of this state subject to a disaster declaration with respect~~
34 ~~to the storms and flooding.~~

35 ~~(18) Any loss sustained as a result of the storms or flooding~~
36 ~~occurring in December 1996 or January 1997, or any related~~
37 ~~casualty, sustained in any county of this state subject to a disaster~~
38 ~~declaration with respect to the storms or flooding.~~

39 ~~(19) Any loss sustained as a result of the storms or flooding~~
40 ~~occurring in February 1998, or any related casualty, sustained in~~

1 any county of this state subject to a disaster declaration with respect
2 to the storms or flooding.

3 ~~(20) Any loss sustained as a result of a freeze occurring in the~~
4 ~~winter of 1998–99, or any related casualty, sustained in any county~~
5 ~~of this state subject to a disaster declaration with respect to the~~
6 ~~freeze.~~

7 ~~(21) Any loss sustained as a result of an earthquake occurring~~
8 ~~in September 2000, that was included in the Governor's~~
9 ~~proclamation of a state of emergency for the County of Napa.~~

10 ~~(22) Any loss sustained as a result of the Middle River levee~~
11 ~~break in San Joaquin County occurring in June 2004.~~

12 ~~(23) Any losses sustained as a result of the fires that occurred~~
13 ~~in the Counties of Los Angeles, Riverside, San Bernardino, San~~
14 ~~Diego, and Ventura in October and November 2003, or as a result~~
15 ~~of floods, mudflows, and debris flows, directly related to fires.~~

16 ~~(24) Any losses sustained in the Counties of Santa Barbara and~~
17 ~~San Luis Obispo as a result of the San Simeon earthquake,~~
18 ~~aftershocks, and any other related casualties.~~

19 ~~(25) Any losses sustained as a result of the wildfires that~~
20 ~~occurred in Shasta County, commencing August 11, 2004, and~~
21 ~~any other related casualty.~~

22 ~~(26) Any loss sustained in the Counties of Kern, Los Angeles,~~
23 ~~Orange, Riverside, San Bernardino, San Diego, Santa Barbara,~~
24 ~~and Ventura as a result of the severe rainstorms, related flooding~~
25 ~~and slides, and any other related casualties, that occurred in~~
26 ~~December 2004, January 2005, February 2005, March 2005, or~~
27 ~~June 2005.~~

28 ~~(27) Any loss sustained in the Counties of Alameda, Alpine,~~
29 ~~Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El~~
30 ~~Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,~~
31 ~~Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,~~
32 ~~Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,~~
33 ~~Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,~~
34 ~~Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of~~
35 ~~the severe rainstorms, related flooding and slides, and any other~~
36 ~~related casualties, that occurred in December 2005, January 2006,~~
37 ~~March 2006, or April 2006.~~

38 ~~(28) Any loss sustained in the County of San Bernardino as a~~
39 ~~result of the wildfires that occurred in July 2006.~~

1 ~~(29) Any loss sustained in the Counties of Riverside and Ventura~~
2 ~~as a result of wildfires that occurred during the 2006 calendar year.~~

3 ~~(30) Any loss sustained in the Counties of El Dorado, Fresno,~~
4 ~~Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San~~
5 ~~Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa~~
6 ~~Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject~~
7 ~~of the Governor's proclamations of a state of emergency for the~~
8 ~~severe freezing conditions that occurred in January 2007.~~

9 ~~(31) Any loss sustained in the County of El Dorado as a result~~
10 ~~of wildfires that occurred in June 2007.~~

11 ~~(32) Any loss sustained in the Counties of Santa Barbara and~~
12 ~~Ventura as a result of the Zaca Fire that occurred during the 2007~~
13 ~~calendar year.~~

14 ~~(33) Any loss sustained in the County of Inyo as a result of~~
15 ~~wildfires that commenced in July 2007.~~

16 ~~(34) Any loss sustained in the Counties of Los Angeles, Orange,~~
17 ~~Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~
18 ~~as a result of wildfires that occurred during the 2007 calendar year~~
19 ~~that were the subject of the Governor's disaster proclamations of~~
20 ~~September 15, 2007, and October 21, 2007.~~

21 ~~(35) Any loss sustained in the County of Riverside as a result~~
22 ~~of extremely strong and damaging winds that occurred in October~~
23 ~~2007.~~

24 ~~(36) Any loss sustained in the Counties of Butte, Kern,~~
25 ~~Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,~~
26 ~~Shasta, and Trinity as a result of wildfires that occurred in May or~~
27 ~~June 2008 that were the subject of the Governor's proclamations~~
28 ~~of a state of emergency.~~

29 ~~(37) Any loss sustained in the County of Santa Barbara as a~~
30 ~~result of wildfires that occurred in July 2008.~~

31 ~~(38) Any loss sustained in the County of Inyo as a result of the~~
32 ~~severe rainstorms, related flooding and landslides, and any other~~
33 ~~related casualties, that occurred in July 2008.~~

34 ~~(39) Any loss sustained in the County of Humboldt as a result~~
35 ~~of wildfires that commenced in May 2008.~~

36 ~~(40) Any loss sustained in the County of Santa Barbara as a~~
37 ~~result of wildfires that commenced in November 2008.~~

38 ~~(41) Any loss sustained in the Counties of Los Angeles and~~
39 ~~Ventura as a result of wildfires that commenced in October 2008~~

1 or November 2008 that were the subject of the Governor's
2 proclamations of a state of emergency.

3 (42) Any loss sustained in the Counties of Orange, Riverside,
4 and San Bernardino as a result of wildfires that commenced in
5 November 2008.

6 (43) Any loss sustained in the County of Santa Barbara as a
7 result of wildfires that commenced in May 2009.

8 (44) Any loss sustained in the Counties of Los Angeles and
9 Monterey as a result of wildfires that commenced in August 2009.

10 (45) Any loss sustained in the Counties of Calaveras, Imperial,
11 Los Angeles, Orange, Riverside, San Bernardino, San Francisco,
12 and Siskiyou as a result of winter storms that commenced in
13 January 2010.

14 (b) (1) In the case of any loss allowed under Section 165 of the
15 Internal Revenue Code, relating to losses, any excess disaster loss
16 shall be carried forward to each of the five taxable years following
17 the taxable year for which the loss is claimed. However, if there
18 is any excess disaster loss remaining after the five-year period,
19 then the applicable percentage, as set forth in paragraph (1) of
20 subdivision (b) of Section 24416, of that excess disaster loss shall
21 be carried forward to each of the next 10 taxable years.

22 (2) The entire amount of any excess disaster loss as defined in
23 subdivision (c) shall be carried to the earliest of the taxable years
24 to which, by reason of subdivision (b), the loss may be carried.
25 The portion of the loss which shall be carried to each of the other
26 taxable years shall be the excess, if any, of the amount of excess
27 disaster loss over the sum of the net income for each of the prior
28 taxable years to which that excess disaster loss is carried.

29 (c) "Excess disaster loss" means a disaster loss computed
30 pursuant to Section 165 of the Internal Revenue Code, which
31 exceeds the net income of the year of loss or, if the election under
32 Section 165(i) of the Internal Revenue Code is made, the net
33 income of the year preceding the loss.

34 (d) The provisions of this section and Section 165(i) of the
35 Internal Revenue Code shall be applicable to any of the losses
36 listed in subdivision (a) sustained in any county or city in this state
37 which was proclaimed by the Governor to be in a state of disaster.

38 (e) Any corporation subject to the provisions of Section 25101
39 or 25101.15 that has disaster losses pursuant to this section, shall
40 determine the excess disaster loss to be carried to other taxable

1 years under the principles specified in Section 25108 relating to
2 net operating losses.

3 (f) ~~Losses allowable under this section may not be taken into~~
4 ~~account in computing a net operating loss deduction under Section~~
5 ~~172 of the Internal Revenue Code.~~

6 (g) ~~For losses described in paragraphs (15) to (45), inclusive,~~
7 ~~of subdivision (a), the election under Section 165(i) of the Internal~~
8 ~~Revenue Code may be made on a return or amended return filed~~
9 ~~on or before the due date of the return (determined with regard to~~
10 ~~extension) for the taxable year in which the disaster occurred.~~

11 SEC. 8. Section 218.4 is added to the Revenue and Taxation
12 Code, to read:

13 218.4. (a) For purposes of this section, all of the following
14 apply:

15 (1) "Owner" includes a person purchasing the dwelling under
16 a contract of sale or who holds shares or membership in a
17 cooperative housing corporation, which holding is a requisite to
18 the exclusive right of occupancy of a dwelling.

19 (2) (A) "Dwelling" means a building, structure, or other shelter
20 constituting a place of abode, whether real property or personal
21 property, and any land on which it may be situated. A two-dwelling
22 unit shall be considered as two separate single-family dwellings.

23 (B) "Dwelling" includes the following:

24 (i) A single-family dwelling occupied by an owner thereof as
25 his or her principal place of residence on the lien date.

26 (ii) A multiple-dwelling unit occupied by an owner thereof on
27 the lien date as his or her principal place of residence.

28 (iii) A condominium occupied by an owner thereof as his or her
29 principal place of residence on the lien date.

30 (iv) Premises occupied by the owner of shares or a membership
31 interest in a cooperative housing corporation, as defined in
32 subdivision (i) of Section 61, as his or her principal place of
33 residence on the lien date. Each exemption allowed pursuant to
34 this subdivision shall be deducted from the total assessed valuation
35 of the cooperative housing corporation. The exemption shall be
36 taken into account in apportioning property taxes among owners
37 of share or membership interests in the cooperative housing
38 corporations so as to benefit those owners who qualify for the
39 exemption.

(b) Any dwelling that qualified for an exemption under Section 218 prior to the commencement dates of the wildfires listed in the Governor's disaster proclamation of August 2009, that was damaged or destroyed by the wildfires and any other related casualty that occurred as a result of this disaster in the Counties of Los Angeles and Monterey, as declared by the Governor in August 2009, and that has not changed ownership since the commencement dates of these disasters as listed in the proclamations, shall not be disqualified as a "dwelling" or be denied an exemption under Section 218 solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the wildfires.

(c) Any dwelling that qualified for an exemption under Section 218 prior to the commencement dates of the severe winter storms listed in the Governor's disaster proclamations of January 2010, that was damaged or destroyed by the severe rainstorms, heavy snows, floods, or mudslides that occurred as a result of these disasters in the Counties of Calaveras, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Francisco, and Siskiyou, as declared by the Governor in January 2010, and that has not changed ownership since the commencement dates of these disasters as listed in the proclamations, shall not be disqualified as a "dwelling" or be denied an exemption under Section 218 solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to floods, mudslides, rockslides, or washed-out or damaged roads.

(d) The exemption provided for in subdivision (k) of Section 3 of Article XIII of the California Constitution shall first be applied to the building, structure, or other shelter and the excess, if any, shall be applied to any land on which it may be located.

SEC. 9. Section 17207.6 is added to the Revenue and Taxation Code, to read:

17207.6. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

1 (1) Any loss sustained in the Counties of Los Angeles and
2 Monterey as a result of wildfires that commenced in August 2009.

3 (2) Any loss sustained in the Counties of Calaveras, Imperial,
4 Los Angeles, Orange, Riverside, San Bernardino, San Francisco,
5 and Siskiyou as a result of winter storms that commenced in
6 January 2010.

7 (b) (1) In the case of any loss allowed under Section 165(c) of
8 the Internal Revenue Code, relating to limitation of losses of
9 individuals, any excess disaster loss shall be carried forward to
10 each of the five taxable years following the taxable year for which
11 the loss is claimed. However, if there is any excess disaster loss
12 remaining after the five-year period, then the applicable
13 percentage, as set forth in paragraph (1) of subdivision (b) of
14 Section 17276, of that excess disaster loss shall be carried forward
15 to each of the next 10 taxable years.

16 (2) The entire amount of any excess disaster loss as defined in
17 subdivision (c) shall be carried to the earliest of the taxable years
18 to which, by reason of subdivision (b), the loss may be carried.
19 The portion of the loss which shall be carried to each of the other
20 taxable years shall be the excess, if any, of the amount of excess
21 disaster loss over the sum of the adjusted taxable income for each
22 of the prior taxable years to which that excess disaster loss is
23 carried.

24 (c) "Excess disaster loss" means a disaster loss computed
25 pursuant to Section 165 of the Internal Revenue Code which
26 exceeds the adjusted taxable income of the year of loss or, if the
27 election under Section 165(i) of the Internal Revenue Code is made,
28 the adjusted taxable income of the year preceding the loss.

29 (d) The provisions of this section and Section 165(i) of the
30 Internal Revenue Code shall be applicable to any of the losses
31 listed in subdivision (a) sustained in any county or city in this state
32 which was proclaimed by the Governor to be in a state of disaster.

33 (e) Losses allowable under this section may not be taken into
34 account in computing a net operating loss deduction under Section
35 172 of the Internal Revenue Code.

36 (f) For purposes of this section, "adjusted taxable income" shall
37 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

38 (g) For losses described in subdivision (a), the election under
39 Section 165(i) of the Internal Revenue Code may be made on a
40 return or amended return filed on or before the due date of the

1 return (determined with regard to extension) for the taxable year
2 in which the disaster occurred.

3 SEC. 10. Section 24347.9 is added to the Revenue and Taxation
4 Code, to read:

5 24347.9. (a) An excess disaster loss, as defined in subdivision
6 (c), shall be carried to other taxable years as provided in
7 subdivision (b), with respect to losses resulting from any of the
8 following disasters:

9 (1) Any loss sustained in the Counties of Los Angeles and
10 Monterey as a result of wildfires that commenced in August 2009.

11 (2) Any loss sustained in the Counties of Calaveras, Imperial,
12 Los Angeles, Orange, Riverside, San Bernardino, San Francisco,
13 and Siskiyou as a result of winter storms that commenced in
14 January 2010.

15 (b) (1) In the case of any loss allowed under Section 165 of the
16 Internal Revenue Code, relating to losses, any excess disaster loss
17 shall be carried forward to each of the five taxable years following
18 the taxable year for which the loss is claimed. However, if there
19 is any excess disaster loss remaining after the five-year period,
20 then the applicable percentage, as set forth in paragraph (1) of
21 subdivision (b) of Section 24416, of that excess disaster loss shall
22 be carried forward to each of the next 10 taxable years.

23 (2) The entire amount of any excess disaster loss as defined in
24 subdivision (c) shall be carried to the earliest of the taxable years
25 to which, by reason of subdivision (b), the loss may be carried.
26 The portion of the loss which shall be carried to each of the other
27 taxable years shall be the excess, if any, of the amount of excess
28 disaster loss over the sum of the net income for each of the prior
29 taxable years to which that excess disaster loss is carried.

30 (c) "Excess disaster loss" means a disaster loss computed
31 pursuant to Section 165 of the Internal Revenue Code, which
32 exceeds the net income of the year of loss or, if the election under
33 Section 165(i) of the Internal Revenue Code is made, the net income
34 of the year preceding the loss.

35 (d) The provisions of this section and Section 165(i) of the
36 Internal Revenue Code shall be applicable to any of the losses
37 listed in subdivision (a) sustained in any county or city in this state
38 which was proclaimed by the Governor to be in a state of disaster.

39 (e) Any corporation subject to the provisions of Section 25101
40 or 25101.15 that has disaster losses pursuant to this section, shall

1 *determine the excess disaster loss to be carried to other taxable*
2 *years under the principles specified in Section 25108 relating to*
3 *net operating losses.*

4 *(f) Losses allowable under this section may not be taken into*
5 *account in computing a net operating loss deduction under Section*
6 *172 of the Internal Revenue Code.*

7 *(g) For losses described in subdivision (a), the election under*
8 *Section 165(i) of the Internal Revenue Code may be made on a*
9 *return or amended return filed on or before the due date of the*
10 *return (determined with regard to extension) for the taxable year*
11 *in which the disaster occurred.*

12 SEC. 11. It is the intent of the Legislature to provide in the
13 annual Budget Act those additional reimbursements to local
14 governments that, as a result of Section 8 of this act, are required
15 by Section 25 of Article XIII of the California Constitution.

16 SEC. 12. The Legislature finds and declares that this act fulfills
17 a statewide public purpose because of all of the following:

18 (a) The Governor of California has officially proclaimed a state
19 of emergency declaring that the wildfires that occurred within the
20 Counties of Los Angeles and Monterey, commencing in August
21 2009, constitute conditions of extreme peril to public health and
22 safety to persons and property within that county, thus qualifying
23 affected persons for various forms of governmental assistance and
24 relief.

25 (b) The Governor of California has officially proclaimed a state
26 of emergency declaring that the winter storms that occurred within
27 the Counties of Calaveras, Imperial, Los Angeles, Orange,
28 Riverside, San Bernardino, San Francisco, and Siskiyou,
29 commencing in January 2010, constitute conditions of extreme
30 peril to public health and safety to persons and property within
31 that county, thus qualifying affected persons for various forms of
32 governmental assistance and relief.

33 (c) This act is consistent with, and supplements, the proclaimed
34 disaster assistance and relief by providing necessary fiscal
35 assistance and tax relief to affected jurisdictions and persons to
36 allow them to maintain essential basic services and repair damage
37 to, and restore, their homes and businesses.

38 SEC. 13. If the Commission on State Mandates determines
39 that this act contains costs mandated by the state, reimbursement
40 to local agencies and school districts for those costs shall be made

1 pursuant to Part 7 (commencing with Section 17500) of Division
2 4 of Title 2 of the Government Code.

3 SEC. 14. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety within
5 the meaning of Article IV of the Constitution and shall go into
6 immediate effect. The facts constituting the necessity are:

7 In order to timely provide essential relief to those persons and
8 jurisdictions that have suffered damage or loss as a result of the
9 wildfires that occurred within the Counties of Los Angeles and
10 Monterey, commencing in August 2009, or as a result of the severe
11 winter storms that occurred in the Counties of Calaveras, Imperial,
12 Los Angeles, Orange, Riverside, San Bernardino, San Francisco,
13 and Siskiyou, commencing in January 2010, that were the subject
14 of the Governor's proclamations of a state of emergency, it is
15 necessary that this act take effect immediately.